



NEW ENGLAND MERCHANTS NATIONAL BANK

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BOSTON REDEVELOPMENT
AUTHORITY

January 19, 1979

Mr. William Johnson
Boston Redevelopment Authority
One City Hall Square
Boston, MA 02201

Dear Mr. Johnson:

In reference to Mr. Niles's letter dated January 12, 1979, New England Merchants National Bank is pleased to submit the following proposal:

New England Merchants will provide a two-year \$6 Million secured revolving line of credit to the Boston Redevelopment Authority for the purpose of funding various Federal, State and Municipal Grants to the Boston Water & Sewer Commission. Terms and conditions of this line of credit are as follows:
1) Loans extended under this line of credit will be charged interest, on a monthly basis, at a rate of .62 times the Bank's prevailing Large Business Base Rate; 2) borrowings and subsequent payments may be made in increments of \$50,000; 3) any and all checking accounts necessitated by projects involved with this line of credit will be maintained at this Bank; and 4) reasonable legal fees incurred by New England Merchants in conjunction with this line of credit will be reimbursed by the Boston Redevelopment Authority.

(62%)

On behalf of the management of New England Merchants National Bank, I wish to express our enthusiasm in extending this line of credit and trust you will look favorably upon our proposal. Should you have any questions or need for additional information, please feel free to contact me at any time.

Very truly yours,

James H. Ottmar
Vice President

12 April 1979

Memorandum

To: Boston Redevelopment Authority
From: Robert J. Ryan, Director
Subject: Authorization to Borrow Funds to Construct
Water and Sewer Work

On December 28, 1978 the Authority authorized the Director to negotiate and execute necessary documents to borrow six million dollars (\$6,000,000.00) for construction of water and sewer contracts.

These negotiations have progressed to a point where the proposal of the New England Merchants National Bank, copy attached, has been accepted. To sign the required documents and finalize the borrowing, the lending institution has requested a confirmatory vote of the Authority that more clearly delineates the agreement between the Authority and the lending institution.

For this purpose, it is recommended that the Authority approve the adoption of the attached note as approved by General Counsel.

VOTED:

That the Director is hereby authorized to borrow an amount not to exceed six million dollars from the New England Merchants National Bank, substantially in accordance with the terms of the proposal set forth in the letter from the Bank to Mr. William Johnson, dated January 19, 1979. The Proceeds of the loan are to be used as necessary to pay costs incurred under the Agreement between the Boston Water and Sewer Commission and the Boston Redevelopment Authority dated May 3, 1978, for a pollution abatement project in Charlestown and the South End. The Loan is to be repaid from reimbursements received under the said agreement, but nevertheless the full faith and credit of the Boston Redevelopment Authority is to be pledged to secure the loan. The Director is further authorized to execute whatever notes or other certificates of indebtedness and whatever agreements with the Bank providing for the issuance and security of the same as may be necessary to effectuate said loan.

BOARD APPROVED

MEMORANDUM

December 28, 1978

TO: Boston Redevelopment Authority
FROM: Robert J. Ryan, Director
SUBJECT: Authorization to Borrow Funds Against Federal and State Grants Already Approved

Since Federal urban renewal commenced, the Authority has financed operations on the basis of a Federal Loan and Grant contract. The loan feature of this contract permitted the Authority to sell notes to pay for current costs and reimbursement by Grant payment was used to pay off the notes sold under the loan feature of the contract. This method of financing is no longer in effect and it therefore becomes necessary to adjust our funding to a more practicable method.

Recently the Authority approved the awarding of four contracts for work approved by the U.S. Environmental Protection Agency. The cost of these four contracts is approximately 6 million dollars, and are awarded by the EPA strictly on a reimbursement basis. To obtain the necessary seed money or cash necessary to meet contractual obligations as presented to the Authority it becomes necessary to arrange borrowings from a local commercial bank that will cover the obligations incurred by the awards mentioned above. Collateral for such arrangements would be the assignment to the lending institution of the Grant payments, and interest rates charged will be tax exempt and therefore below the current prime rate.

It is therefore requested that the Director be authorized to enter negotiations with at least three commercial lending institutions, and more if necessary, to obtain proposals for the necessary loans indicated above. It is further requested that the Director be authorized to execute when necessary contracts with the lending institution that affords the lowest interest charges to the Authority.

An appropriate vote follows:

VOTED: That the Director be authorized to enter negotiations and execute contracts with lending institutions to cover costs of currently approved EPA grants not to exceed 6 million dollars. Authority approval will be required for loan contracts covering subsequent EPA Grants.

